



# WASHINGTON UPDATE

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## Senators to SEC: Exempt Municipal Money Market Funds from Floating NAV

A bipartisan group of 22 senators has sent a letter to Securities and Exchange Commission Chairman Mary Jo White asking that municipal money market funds (MMFs) be exempt from the Commission's floating net-asset value (NAV) proposal and retain their stable \$1 value. In the letter, the senators told the SEC that they have "decades of municipal and local governance experience," and that they know the importance of states having ready access to the municipal market. The letter goes on to note the vast significance that these types of funds play to investors and governments alike:

"Municipal MMFs have extraordinary levels of liquidity, short maturities and high credit quality – just like Treasury and U.S. government funds – and should receive the same exemption from structural reforms... They simply do not pose a systemic risk to the financial system. Subjecting MMFs to a floating NAV or redemption restrictions would diminish the desirability of such funds by investors, who value the stability and liquidity they offer..."

The full letter can be found at [www.bondbuyer.com/pdfs/2014Senate\\_MMf\\_Letter\\_SEC.pdf](http://www.bondbuyer.com/pdfs/2014Senate_MMf_Letter_SEC.pdf).

## DATA Act Passes Senate

Last Thursday, the Senate unanimously passed the Digital Accountability and Transparency Act (DATA Act) with one amendment to allow the Department of Defense to request a delay in implementation. The amended Senate bill does not include additional recipient reporting but does require federal grant recipients to adopt financial data standards that are to be developed and required by the bill. Additionally, the bill requires a pilot program to assess duplicative reporting and to identify burdens associated with expanded government-wide reporting (with exact parameters to be determined) for grant recipients. The legislation is expected to pass the House and be off to the President's desk for his signature soon. The DATA Act's lead sponsors are Rep. Darrell Issa (R-CA), Sen. Mark Warner (D-VA), Rep. Elijah Cummings (D-MD), and Sen. Rob Portman (R-OH).

## Congress Enters Two Week Recess

With the Easter weekend right around the corner, both the House and Senate have gone on spring recess. This recess lasts from April 14 through April 25, with both branches of Congress returning to session on April 28. The next Washington Update will appear on May 5.